

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, NOVEMBER 9, 2017**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
Lanford, Mike; Deputy Attorney General, Representing Attorney General Jim Hood
Wells, Chris; Representing MS Department of Environmental Quality Executive Director
Gary Rikard
Williams, Michelle; Representing State Treasurer Lynn Fitch
Younger, Jim; Representing Public Safety Commissioner Marshall Fisher

Also present were:

Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Smith, Dan; Attorney General's Office
Sweat, Wade; Department of Transportation
Wells, Lisa; Cannon Cochran Management Services, Inc.
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Williams to approve the minutes of the September 14, 2017, meeting. Mr. Lanford seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mrs. McElroy presented the 2018 schedule of Board meeting dates.

Mr. Logan presented the financial report for fiscal year 2018 through October 31, 2017. The Cash Flow Analysis details assessment revenue of \$3.7 million (85% of the total assessment of \$4.4 million) and expenditures of \$2.6 million. Totals funds - including cash in the Treasury, investments, and the TPA account – total \$16.4 million. Mr. Logan advised that we have \$7.35 million in reserves and just over \$9 million in unencumbered funds. We have paid claim losses totaling just over \$1 million to-date, comparing to \$1.7 million this time last year. The average

reserve for open claims is just under \$15,000. The Budget Comparison Report details expenditures through the first four months of the fiscal year by budget category.

Mr. Wilson presented the investment report through October 2017. The portfolio has a book value of \$12.1 million with a market value of just under \$12 million. This gap has widened some since our last meeting. The 2017 internal rate of return is at 1.55% for the calendar year, and Mr. Wilson anticipates that nearing 1.75-1.90% by calendar year-end. The book yield is just under 2% at 1.9% and the market yield is just over 2%. The weighted average life of the portfolio is just under 2 years, and we continue to stay short because of the way the market is reacting. We have earned just under \$200,000 for the calendar year, and that number should end up around \$230,000-\$240,000 by calendar year-end.

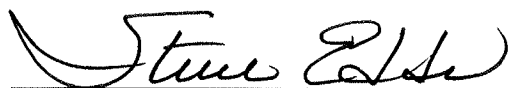
Mr. Milner reported on his Loss Control activities since the last Board meeting, noting the 12 days of the Mississippi State Fair with zero known claims and our upcoming presentation to the Highway Patrol Cadet Class.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 38 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Kelsey made a motion to approve the list and Mrs. Williams seconded the motion, which passed by unanimous vote.

Under Claims Report Mr. Donaldson suggested the Board consider going into Executive Session for the discussion of two claims. Mr. Younger made a motion to close the meeting to determine whether or not the Board should declare an executive session. The motion passed. Mr. Lanford made a motion to enter executive session for the purpose of discussing litigation. Mrs. Kelsey seconded the motion, which passed unanimously. *Mr. Donaldson reviewed the case of Estate of Christopher Adams vs. Mississippi Department of Transportation. Following discussion, Mr. Lanford made a motion to approve the mediation settlement of \$325,000 contingent on the deletion of item 5 from the Memorandum of Settlement Agreement. Mrs. Kelsey seconded the motion, which passed unanimously.* Board members also discussed litigation involving the Mississippi Department of Public Safety. Mr. Lanford made a motion to return to open session, which was seconded and passed unanimously.

There being no further business to come before the Board, the meeting was adjourned.



STEVE EDDS, CHAIRMAN




MIKE CHANEY, BOARD MEMBER


LYNN FITCH, BOARD MEMBER


JIM HOOD, BOARD MEMBER

LAURA D. JACKSON, BOARD MEMBER

GARY RIKARD, BOARD MEMBER


MARSHALL FISHER, BOARD MEMBER


Mississippi Tort Claims Board
November 9, 2017 - 1:30pm
Conference Center North, Room 138
First Floor, Woolfolk Building
Jackson, Mississippi

ATTENDANCE LIST

<u>NAME</u>	<u>DEPARTMENT/COMPANY</u>
Jeff Wilson	Trinity Capital
Steven M. Iner	TCB
Daniel Smith	AG
Wade Sweat	MDOT
Jim Logan	TCB
Lynn Wells	CMMSI
Jim Kelly	TCB
James W. Noyes	MDPS
Chris Wells	MDEQ
Michelle Williams	OST
Eric [Signature]	AG
Eric [Signature]	MID
J. E. [Signature]	Bullett Snow

Mississippi Tort Claims Board
Thursday, November 9, 2017 – 1:30 P.M.

AGENDA

- I.** Approval of Minutes
 - A. September 14, 2017
- II.** Old Business
- III.** New Business
 - A. 2018 Board Meeting Dates
- IV.** Financial Reports
 - A. Financial Report – Jim Logan
 - B. Investment Report – Jeff Wilson
- V.** Loss Control – Steve Milner
- VI.** Attorney General's Report – Lea Ann McElroy
- VII.** Certificates of Coverage – Lea Ann McElroy
- VIII.** Claims Report – Bruce Donaldson
 - A. Estate of Christopher Adams vs. Mississippi Department of Transportation
 - B. Kersh, Alexander & Collier vs. Mississippi Public Safety (for discussion)
- IX.** Adjournment

Next meeting date and time: January 11, 2018 – 1:30 P.M.
Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, SEPTEMBER 14, 2017**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Chaney, Mike; Insurance Commissioner
Jackson, Laura; Executive Director, MS Department of Finance & Administration
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
Rikard, Gary; Executive Director, MS Department of Environmental Quality
Williams, Michelle; Representing State Treasurer Lynn Fitch
Whitley, Onetta; Deputy Attorney General, Representing Attorney General Jim Hood
Sims, Trae; Representing Public Safety Commissioner Marshall Fisher

Also present were:

Buford, David; Institutions of Higher Learning
Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Stephenson, Matt; Bickerstaff, Whatley, Ryan & Burkhalter
Sweat, Wade; Department of Transportation
Tipton, Roy; Attorney General's Office
Wells, Lisa; Cannon Cochran Management Services, Inc.
Wells, Teresa; Tort Claims Board
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Whitley to approve the minutes of the July 13, 2017, meeting. Mrs. Kelsey seconded the motion, which passed unanimously.

In Old Business, Mrs. McElroy provided Board members with a breakdown of the \$4.7 million assessment by agency, noting agencies which were incurring large increases and/or decreases. *[Commissioner Chaney entered the meeting.]* Agencies were notified of our upcoming assessment following the passage of Senate Bill 2001 during the Special Session in June. Invoices will go out by mid-October and agencies have the option to pay in full or pay half now and half January 1, 2018. This breakdown is provided for informational purposes only as the assessment was approved by the Board in July.

In New Business, Mrs. McElroy presented a one-year contract renewal for third party administrator Cannon Cochran Management Services, Inc. The current three-year contract expires September 30, 2017; however, the Board shall have “the option to renew the contract ... for one (1) additional year under the same prices, terms, and conditions of the original contract.” The one-year renewal would run through September 30, 2018. Staff will begin the RFP process in the Spring of 2018 for another long-term contract. Mr. Rikard made the motion to approve the renewal. Mrs. Williams seconded the motion, which passed unanimously.

Mr. Logan presented the financial report for fiscal year 2018 through August 31, 2017. The Cash Flow Analysis details expenditures of just under \$1 million. Both totals for revenue and expenses are inclusive of a \$500,000 transfer in/transfer out for the Trustmark checking account utilized by the TPA. For accounting purposes, we must reflect both the out-go and the income, so that explains the high revenue total at this point in the fiscal year. Funds are split into three areas: \$1.15 million in cash in the Treasury, \$12 million in investments, and \$558,026 in the TPA account. Mr. Logan advised that we have total funds of just over \$13.7 million, including \$8.2 million in reserves and \$5.5 million in unencumbered funds. We have paid claim losses totaling just over \$210,000 to-date, and just over \$73,000 to-date in legal expenses. We have created 220 claims, paid 173, and have 501 open claims. The Budget Comparison Report details expenditures through the first two months of the fiscal year by budget category.

Mr. Wilson presented the investment report through August 2017. The portfolio has a book value of \$12,065,000, with a market value of just over \$12.0 million. The 2017 internal rate of return is at 1.26% and both the book and market yields are just under 2%. (In July, we move from reporting on a fiscal year basis to a calendar year basis for a few months until the fiscal year numbers become significant.) The weighted life of the portfolio is just under 2 years, and we are staying short in anticipation of one last Fed rate increase. We have earned just under \$150,000 for the calendar year. In the Performance Report, Mr. Wilson noted in the Investment Performance Comparison section that we dropped back below the index. As interest rates drop, the index outperforms. Mr. Wilson anticipates that by year-end, the portfolio should be back to outperforming the index.

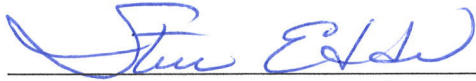
In Mr. Milner’s absence, Mrs. McElroy provided members a report of his Loss Control activities since the last Board meeting, noting the Mississippi State Fair begins October 4th and runs through October 15th.

There was no Attorney General’s Report.

Mrs. McElroy presented a list of 57 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Jackson made a motion to approve the list and Commissioner Chaney seconded the motion, which passed by unanimous vote.

Under Claims Report Mr. Donaldson reviewed for the Board the claim of Steve Rowley vs. Mississippi Department of Transportation. *[Commissioner Chaney exited the meeting during this review.]* Through mediation, a settlement of \$210,000 was negotiated subject to Board approval. Following discussion, Mrs. Whitley made a motion to approve the settlement as requested. Mr. Rikard seconded the motion, which passed unanimously.

There being no further business to come before the Board, the meeting was adjourned.



STEVE EDDS, CHAIRMAN



MIKE CHANEY, BOARD MEMBER



LYNN FITCH, BOARD MEMBER

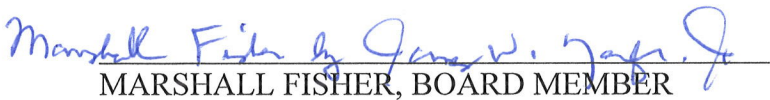


JIM HOOD, BOARD MEMBER

LAURA D. JACKSON, BOARD MEMBER



GARY RIKARD, BOARD MEMBER



MARSHALL FISHER, BOARD MEMBER

Mississippi Tort Claims Board 2018 Meeting Dates

January 11, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

March 8, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

May 10, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

July 12, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

September 13, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

November 8, 2018

Suite 138, Conference Center North, Woolfolk Building
Jackson, Mississippi at 1:30pm

MISSISSIPPI TORT CLAIMS BOARD
Combined Financial Report - Fiscal Year 2018
Fund 3080

-----CASH FLOW ANALYSIS-----

	September	October	Year-To-Date
REVENUE:			
Assessments Received	26,745.77	3,731,463.93	3,758,209.70
Interest	943.73	725.32	4,028.47
Investment Interest	23,803.06	26,238.68	71,755.53
Transfer In Funds	250,000.00	250,000.00	1,000,000.00
Total Revenue	\$ 301,492.56	\$ 4,008,427.93	\$ 4,833,993.70
EXPENSES:			
Claim Losses - TCB and TPA	668,382.07	148,552.01	1,027,630.71
Legal Expenses - TCB and TPA	55,477.38	111,501.86	240,278.48
Other Expenses - TCB and TPA	4,824.40	4,066.00	10,739.17
Administrative Expenses Paid	110,013.84	47,346.41	345,207.57
Transfer of Funds - Out	250,000.00	250,000.00	1,000,000.00
Total Expenses	\$ 1,088,697.69	\$ 561,466.28	\$ 2,623,855.93
FUNDS ON HAND:			
Beginning Balance	\$ 13,752,213.74	\$ 12,965,008.61	
Revenue	301,492.56	4,008,427.93	
Expenses	(1,088,697.69)	(561,466.28)	
Adjustments	0.00	0.00	
Total Funds	\$ 12,965,008.61	\$ 16,411,970.26	
Cash in Treasury	\$ 746,032.26	\$ 4,082,557.68	
Investment in Treasury	\$ 12,079,976.12	\$ 12,083,934.35	
TPA Trustmark Bank Balance	139,000.23	245,478.23	
Total Funds By Account	\$ 12,965,008.61	\$ 16,411,970.26	
Less Reserves	\$ 7,597,503.10	\$ 7,355,259.28	
Unencumbered Funds Available	\$ 5,367,505.51	\$ 9,056,710.98	

-----CLAIMS/RESERVES DETAIL (Year-To-Date)----

	MTCB	CCMSI	TOTAL
Claims - Payments	\$ 52,338.84	\$ 975,291.87	\$ 1,027,630.71
Claims - Legal Expenses	235,672.25	4,606.23	240,278.48
Claims - Other Expenses	-	10,739.17	10,739.17
Total Paid Out to Date	\$ 288,011.09	\$ 990,637.27	\$ 1,278,648.36
OUTSTANDING RESERVES	419,817.62	6,935,441.66	7,355,259.28
Total Claims & Reserves	\$ 707,828.71	\$ 7,926,078.93	8,633,907.64
Number of Claims Created	258	154	412
Number of Claims Paid	167	130	297
Total Open Claims	184	307	491
AVG. CLAIM \$ / # CLAIMS PAID	\$313.41	\$7,502.25	\$ 3,460.04
AVG. RESERVE / OPEN CLAIMS	\$2,281.62	\$22,591.02	\$ 14,980.16

NOTE: Information represents combined operations for Treasury Fund 3080 and the Trustmark account (utilized by CCMSI).

MISSISSIPPI TORT CLAIMS BOARD

Budget Comparison Report

Treasury Fund 3080

Fiscal Year 2018

Expenses:	Total Budget	September 2017	October 2017	Year To Date Expenditures	Ending Balance	Percent Expended
A1-Salaries	\$ 560,000.00	\$ 46,165.45	\$ 46,165.28	\$ 185,761.45	\$ 374,238.55	33.17%
A2-Travel	4,000.00	0.00	261.07	691.85	3,308.15	17.30%
B-Contractual	1,650,000.00	115,998.27	111,935.38	392,790.98	1,257,209.02	23.81%
C-Commodities	7,000.00	212.62	474.89	1,599.29	5,400.71	22.85%
D2-Capital Outlay	1,500.00	0.00	0.00	0.00	1,500.00	0.00%
E-Subsidies	4,300,000.00	257,272.92	259,092.36	1,052,338.84	3,247,661.16	24.47%
SUBTOTAL	<u>\$ 6,522,500.00</u>	<u>\$ 419,649.26</u>	<u>\$ 417,928.98</u>	<u>\$ 1,633,182.41</u>	<u>\$ 4,889,317.59</u>	<u>25.04%</u>
TPA Expended		<u>669,048.43</u>	<u>143,537.30</u>	<u>990,673.52</u>		
TOTAL Expended		<u>\$ 1,088,697.69</u>	<u>\$ 561,466.28</u>	<u>\$ 2,623,855.93</u>		

TRINITY

TRINITY CAPITAL INVESTORS

November 3, 2017

Ms. Lea Ann McElroy
Mississippi Tort Claims Board
P O Box 267
Jackson, MS 39205-0267

Re: October 2017 Portfolio Highlights

Total Portfolio	Book Value	\$12,115,020
	Market Value	\$11,992,898
2017 Internal Rate of Return		1.55%
Current Portfolio Book Yield		1.89%
Market Yield		2.09%
Weighted Average Life		Approximately 1.7 years
YTD 2017 Earnings		197,247
Accrued Interest		41,934



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
MARSHALL L. FISHER, Commissioner
Department of Public Safety
LYNN FITCH, Treasurer
Department of Treasury

JIM HOOD, Attorney General
Office of Attorney General
LAURA D. JACKSON, Executive Director
Department of Finance and Administration
GARY RIKARD, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Steve Milner
DATE: November 9, 2017
RE: Loss Control Report

Since the last Board Meeting, loss control services for the Tort Claims Board include:

- 14 State Fair Duty
- 2 Ride a Longs
- 1 MEMA Drill
- 1 State Fair Planning Meeting
- 10 State Property Inspections
- 1 Defensive Driving Class
- 3 Accident Investigations



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
MARSHALL L. FISHER, Commissioner
Department of Public Safety
LYNN FITCH, Treasurer
Department of Treasury

JIM HOOD, Attorney General
Office of Attorney General
LAURA D. JACKSON, Executive Director
Department of Finance and Administration
GARY RIKARD, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Lea Ann McElroy
DATE: November 9, 2017
RE: Political Subdivisions – Certificates of Coverage

RECOMMENDATION: Staff recommends approval of 38 political subdivisions shown on attached list.

MISSISSIPPI TORT CLAIMS BOARD

Thursday, November 9, 2017

Political Subdivisions Recommended for Renewal of Certificate of Coverage

AAA Ambulance Service, Inc.
Adams County Board of Supervisors
Baldwyn Public School District
Bassfield Fire Department
Bayside Fire District
Biloxi City Clerk
Birmingham Ridge Volunteer Fire Department
Cedar Hill Volunteer Fire Department, Inc.
East Covington Volunteer Fire Department
Farmhaven Volunteer Fire Department Protection District
Greenwood- Leflore Public Library
Grenada School District
Hinds County Fire District
Jackson City Clerk
Jackson County Fire District
Jackson Municipal Airport Authority
Jefferson County Fire District
Lafayette County Fire District
Lafayette County School District
Lee County School District
Leetown Fire District
Madison County School District
Meridian Community College
Mississippi Coast Transit Authority
Mount Olive Volunteer Fire and Rescue, Inc.
North Tunica County Fire Protection District
Northeast Lamar Fire and Rescue
Oktibbeha County Volunteer Fire Departments
Pass Christian Public School District
Poplarville Volunteer Fire Department
Region Eight Mental Health Services
Region XII Commission On Mental Health and Retardation
Simpson County Board of Supervisors
Tupelo Public School District
Union County Board of Supervisors
Warren County Fire Service
Webster County Fire District
West Jackson County Utility District

Total 38



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
MARSHALL L. FISHER, Commissioner
Department of Public Safety
LYNN FITCH, Treasurer
Department of Treasury

JIM HOOD, Attorney General
Office of Attorney General
LAURA D. JACKSON, Executive Director
Department of Finance and Administration
GARY RIKARD, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Bruce Donaldson
DATE: November 9, 2017

Estate of Christopher Adams vs. Mississippi Department of Transportation
2012-0000542